



The Grove Arcade Public Market Foundation





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We need a Workable Business Plan



AFTER





• Before











- Before





• After





- Before









AFTER





We Believe...



We Believe... in After

- On December 2, 1985 the Mayor of Asheville established an ad hoc Committee for Preservation of the Grove Arcade and charged it with investigating the feasibility of restoring the Grove Arcade to its original construction and its original use.



- From that initial vision a plan was set into motion to restore the Arcade to it's former and now current grandeur. Over the years this has been the purpose and goal of the Grove Arcade Public Market Foundation.



Original Goals of the Presentation to Council

- Become the prime engine for continuing the economic revitalization and renaissance in downtown Asheville.
- Position itself as the premier public market on the East Coast, attracting national attention.
- Play a crucial role in the rural development of the surrounding region.
- Be a genuine celebration of the best that Asheville has to offer.



Original Goals of the Presentation to Council

- Encourage entrepreneurial development of owner operated incubator businesses, with an emphasis on minority and first time business development.
- Serve the surrounding residential community of primarily low income elderly residents with needed goods and services.
- Provide needed community services, human services and public amenities to the citizens of Asheville.



Original Goals of the Presentation to Council

- Take an active role in encouraging the development of an economically diverse downtown residential community.
- Become a revenue generator for the City and County governments, through sales, business and real estate taxes.
- Position itself as a fabulous local Market that draws on surrounding tourist assets.



Original Goals of the Presentation to Council

- Encourage people to come downtown Asheville in the evening.
- Prevent the Grove Arcade from remaining vacant once all Federal uses are relocated.



Flaws in the original Business Model

- Risk associated with targeted tenant population
- Time necessary to reach full occupancy
- Cost overruns resulted in additional bridge loan from Progress Energy of \$ 1.85 million on top of COP S. loan.
- Annual maintenance cost was originally projected at \$180 k annually, currently it exceeds \$ 300 k.
- Original plan had 5 employees, we currently employ 2.5.



Options

- Re-amortize the debt over a longer period of time that more closely fits the cash flow the asset generates.
- Parties agree to some forgiveness of debt between the Foundation and Progress and the City that allows the same result.
- We find a means to divest ourselves of the asset to a developer that would allow for the satisfaction of the existing debts of the Foundation and our partner Progress Energy.







We Believe... in After